

# **Flaura's Acres Annual Membership Meeting**

August 16, 2025 @ 1:00 pm

1. Welcome and introduction
2. Updates on our water and septic situation
3. Update on annexation, including timeline and process
4. Community reminders
5. Annual budget discussion and vote

# Current Sewer Conditions

Paul Bucich, P.E.  
Public Works Director  
City of Sequim

- Status of the current system
- Impact to homeowners from system failure
  - No use of water fixtures
    - No showers
    - No toilet use
    - No sink use
  - Vacate home until issue resolved
- Options to address the sewer issues
  - Spot fixes
  - Slip lining
  - Complete replacement



# Department of Ecology Funding Offer

Paul Bucich, P.E.  
Public Works Director  
City of Sequim

Clallam County applied for funding on behalf of the HOA

- Total Project Cost: \$2,580,198
- CWSRF Forgivable Principal: \$1,918,648
  - a loan that will be forgiven at the end of the project – like a grant
- CWSRF Standard Loan: \$661,550

Loan Term	Interest Rate	Total Interest Paid on Loan	Approximate Additional Monthly Cost to Homeowners
20 years	0.7%	\$49,698	~\$59.00/mo

# Current Water System

Paul Bucich, P.E.  
Public Works Director  
City of Sequim

- Department of Health grant funds for consolidation of small water systems with larger, nearby systems
- Engineer's estimate of cost for upgrading the water system and connecting to the City: \$1,850,000.00 (Based on Annexation)
- Homeowners would have a reliable source of water and fire hydrants
- City would own and maintain the system.

# Combined Sewer and Water Project

Paul Bucich, P.E.  
Public Works Director  
City of Sequim

- Flaura's Acres will have:
  - Reliable sewer and water system
  - Owned and maintained by the City
- ~\$4.8M of improvements for \$661,550 in loan
- Drain field and well site:
  - Potentially sold and proceeds used to reduce the loan balance
- Connection fees covered:
  - No large, upfront expense
  - Residents only responsible for covering payment of the final loan amount and actual costs (if any) in excess of Ecology loan funding

# Water and Sewer Charges

Paul Bucich

- Sequim charges a 50% increase for County users of water and sewer
- Connection fees are also increased by 50% when a connection is made to water and sewer infrastructure
- State funding for this work does not require annexation
- Residents could request the City consider annexation of the existing HOA into the City
- Monthly water and sewer rates would be reduced to in-city rates
- Connection fees could be reduced if annexation occurred before the project was completed – would help reduce overall project costs and loan repayment costs

## Sewer Charges (55 residents)

Sewer Connection Fees – current	Sewer Connection Fees – annexed	Project Cost Savings from Annexation
\$11,600/residence	\$7,733.33/residence	\$3,866.67/residence
\$638,000 total	\$425,333.15 total	<b>\$212,666.85 *</b>
* Could be billed against the loan portion of the Ecology funding.		

# Local Improvement District (LID)

Paul Bucich

- Clallam County is currently the funding recipient on behalf of the HOA / intention is to transfer to City of Sequim
- Ecology requires recipients to show financial ability to repay loans
- A LID is a method for residents to pay the city for the Ecology loan portion of the project and actual costs in excess of grants amounts (if any).



# Local Improvement District (LID)-Continued

Paul Bucich

- At least 51% of the homeowners must agree to form the District
- The homeowners will need to petition the City to create the LID. Nick will help HOA to create petition that meets the legal requirements.
- Petition will need to be signed by the majority of the property owners. Petition to be filed with City Clerk and will be scheduled for a public hearing prior to approval.
- These are only the first steps to establishing the LID.
- The City will not incur costs until the LID approved.

# Questions?

# Community Reminders

1. Septic tank pumping
2. Clallam County drought
3. Keeping roadways clear
4. Leaving items on curb

# Budget

Annual budget to keep our systems functioning until the consolidation project can be completed.

Flaura's Acres Property Owners Association			
FY 2025 Annual Association Budget			
September 1, 2025 - August 31, 2026			
<b>Projected Operating Income</b>			
Checking Account Funds	\$93,500.00		
Association Dues			
(water fee \$100/month	\$64,800.00		
Accounts Receivable	\$ 5,503.00		
Homeowner Finance Charges	\$ 600.00		
<b>Total Annual Income</b>		<b>\$ 164,403.00</b>	
<b>Projected Operating Expenses</b>			
Accounting Services			
Bookkeeping Services	\$ 2,500.00		
Tax Return Preparation	\$ 1,000.00		
Bank Charges			
Safe Deposit Box	\$ 60.00		
Common Property Maintenance			
Mowing	\$ 5,000.00		
Street repairs	\$ 3,400.00		
Insurance Expense	\$ 1,281.00		
Legal & Professional	\$ 2,500.00		
Licensing & Permits			
Water Permit	\$ 350.00		
Septic Permit	\$ 1,200.00		
Meeting Expenses	\$ 600.00		
Office Supplies	\$ 400.00		
Property Taxes	\$ 309.00		
Pump Electricity	\$ 3,700.00		
Septic System Inspection	\$ 3,800.00		
US Postal Service			
PO Box Rental	\$ 188.00		
Postage	\$ 160.00		
Website	\$ 262.00		
Well Water			
Water Sampling	\$ 4,200.00		
Water Testing	\$ 1,300.00		
Pump Materials	\$ 1,600.00		
<b>Total Annual Expenses</b>		<b>\$ 33,810.00</b>	
Projected Reserve Funds		\$ 130,593.00	

# Thank you